

**High Point City Council
Special Meeting
Council Chambers/3rd Floor Lobby Conference Room
High Point Municipal Building
April 18, 2018**

Roll Call, Pledge of Allegiance and Moment of Silence

Mayor Wagner called the meeting to order at 3:00 p.m.

*Upon call of the roll, the following Council Members were **Present**:*

Mayor Jay W. Wagner, Mayor Pro Tem Williams (Ward 2), Council Member Britt Moore (At Large), Council Member Donald Scarborough (At Large), Council Member Jeffrey Golden (Ward 1) [Arrived at 3:24], Council Member Monica Peters (Ward 3), Council Member Victor Jones (Ward 5) and Council Member Jason Ewing (Ward 6)

Public Hearings

2018-126 Public Hearing - Economic Development Incentives - Amada North America, Inc.

Wednesday, April 18, 2018 at 3:00 p.m. is the date and time established for the High Point City Council to consider a request from Amada North America, Inc., to authorize up to \$1,171,000 in performance-based incentives for the company's potential manufacturing location and expansion and authorize the City Manager to execute a performance agreement with the company containing benchmarks for the company to achieve and a schedule for the payment of such financial incentives.

Sandy Dunbeck, Executive Vice President of the High Point Economic Development Corporation, gave an introduction to this item. She stated Amada North America is a manufacturer of precision sheet metal fabricating equipment. She said that the City of High Point is the only city in North Carolina that is being considered as a location, however, other states such as South Carolina and Tennessee are being considered as well. She stated besides the United States, Amada North has facilities in Canada and Mexico. The Company was established in Seattle, Washington in 1971, and has headquarters in Buena Park, California. Amada North America has a Japanese parent company. She acknowledged Jeff Otten, Executive General Manager of Amada America as well as John Hunter, Consultant of Amada, of Womble Bond Dickenson.

She explained should the company pick High Point for this project, 201 full time jobs would be added over the next five years. The average wage for those new jobs would be approximately \$37,721 annually. The positions to be hired are 68 factory assemblers, 39 machine operators, 37 production control staffers, 24

welders, 11 engineers, 11 production managers, 7 quality control personnel, and 4 administration personnel. The project would involve adding a total of \$82,000,000 to the tax base, this does not include the cost of site acquisition. She said Phase I is an investment of \$25 million in real property for the construction of the first factory and \$16 million in personal property. Phase II is an investment of \$25 million in real property for the construction of the second factory and \$16 million in personal property.

She requested the High Point City Council consider authorizing up to \$1,171,000 in performance-based financial incentives for the project. This breaks down to \$585,000 per phase. Any such incentives would be subject to the company meeting benchmarks listed in a performance agreement, and would be paid post performance. She said the company understands that if performance-based incentives are authorized by the High Point City Council, Amada should participate in a job fair in central High Point to help with the City's goal to employ as many High Pointers as possible. She stated the Guilford County Workforce Development Board's staff and the local NCWorks Career Center will collaborate with the company regarding the job fair.

She said after today's hearing and tomorrow's county commissioners public hearing, it is expected that the company will make its location decision sometime in the 2nd quarter of 2018.

She then introduced Mr. Jeff Otten, Executive General Manager of Amada America, Inc., to share more about Amada.

Mr. Otten shared the history of Amada noting it was founded in 1948 on one simple principle; that "Amada can only be successful by listening to the customers". Amada is a producer and seller of sheet metal fabricating equipment and software. Customers purchase this equipment to make products such as kitchen appliances, air craft parts, steel shelving, anything that has sheet metal in it. Amada is a global company with manufacturing sales and service offices in Japan, China, Europe, and North America, plus sales offices on every continent. Amada also has 83 subsidiary companies throughout the world employing more than 5,000 people. He stated he has been with the company for 33 years and in that time the sales have grown, as well as the commitment to bring manufacturing to the United States. He said his years of service with the company is not unusual, Amada has over 80 employees that have been with the company for 25 years or longer. This speaks to the loyalty the employees have for the company as well as the loyalty Amada shows the employees.

In 2013 Amada opened the most recent company in Brea, California manufacturing laser cutting equipment as well as automation that allows the equipment to run 24/7 automated. There are 200 technicians working in the manufacturing sectors around the country. The facility being considered now will be making a new line of high precision press break bending machines, that have been developed specifically for the US market. After the phase I facility is up and running there is anticipation to contract with local vendors for a lot of services and goods. It is anticipated that Amada will spend 20 million dollars annually to outside vendors.

Once the facility is open, Amada will stay committed to the community by collaborating with local schools to explain manufacturing and what it is now verses 30 years ago. In addition to the outreach for students Amada participates in a program called Workshop for Warriors which is a non-profit school located in San Diego, California. The mission is to train, educate, and help give high tech manufacturing jobs to wounded veterans and other service personnel. Amada has donated over a million dollars in equipment and services to that organization. Amada also donates equipment to technical colleges for use in the manufacturing programs as well as help in developing curriculums. He stated Amada is very impressed with the High Point, Guilford County area in terms of proximity to vendors, transportation, infrastructure as well as the programs and resources available to the company through the Economic Development Board and the Guilford County Technical School.

Council Member Jones asked about the hours of operation for the facility. Mr. Otten responded that although machines would be running 24/7, the factory would run two shifts. Council Member Moore asked how many jobs would be transferred in, verses utilizing local's. Mr. Otten stated the company is not planning to transfer people permanently, permanent transfers would be very minimal. Council Member Moore asked if the company was Amada Company or Amada America. Mr. Otten responded it is Amada North America which owns Amada America, which is a subsidiary of Amada Company. Council Member Ewing requested a timeline for Phase I and Phase II. Mr. Otten stated the company hopes to have a decision made on the location within this quarter, in which case the plan would be to have the phase I factory up and running by beginning of 2020 and then one to two years after that for phase II. Council Member Jones asked if the buses would be able to help with transportation. Mr. Demko, City Manager, stated yes, there would need to do some re-evaluation. Council Member Jones asked what are the hours of those two shifts. Mr. Otten replied 7 to 3:30 and 3:30 to eight hours after that. Council Member Jones asked if there would be scholarship programs for people that would like to move into higher positions. Mr. Otten stated the company has a lot of long-term employees, the company looks to promote from within first.

Mayor Wagner stated he would now open the Public Hearing and asked if there were anyone in the Council Chamber that wished to address the Council regarding this proposal. Seeing no one, he closed the Public Hearing.

Council Member Ewing made a motion to authorize up to \$1,171,000 in performance-based incentives for the Amada North America as proposed. Council Member Jones seconded the motion. Motion passed unanimously with an 8-0 vote as follows:

Aye (8): Mayor Wagner, Council Member Moore, Mayor Pro Tem Williams, Council Member Scarborough, Council Member Ewing, Council Member Peters, Council Member Jones, and Council Member Hudson

Absent (1): Council Member Golden

Regular Agenda Items**2018-127 Amendment - MOU - High Point University - Underground Utilities and Intersection Improvements**

Consideration of an Amendment to an Memorandum of Understanding (MOU) with High Point University (Approved by City Council 9/18/2017) re underground utilities and intersection improvements on North Centennial Street from or around Barbee Avenue to East Farris Avenue and on Montlieu from North Centennial to Denny Street.

Randy McCaslin, Deputy City Manager, gave the presentation on this item.

Mr. McCaslin explained that on September 18, 2017, the City Council approved a Memorandum of Understanding (MOU) with High Point University to perform underground improvements and intersection improvements to North Centennial Street from or around Barbee Avenue to East Farris Avenue and on Montlieu from North Centennial to Denny Street. The MOU contained a cost sharing and work. While the signature fence was being constructed, High Point University planned to install the banking, but due to some problems with other utilities, that could not be accomplished. This amendment evenly splits the cost between High Point University and the City of High Point. The total cost is \$1,280,368 which is an increase from the previous approved amount of \$1,208,968 which is an increase of \$72,000. Mayor Wagner asked if that was the City's half or is that total. Mr. McCaslin stated it was total project cost. Mr. McCaslin stated \$640,184 each for High Point University and the city of High Point, for a total amendment of \$1,280,368. He said High Point University has agreed to pay within 30 days of the execution of this MOU. He noted the project limits have not changed, project cost increased slightly because of having to avoid some of the utilities such as gas, fiber optic cable and new communication line. Instead of there being an offset in the terms of the cost where High Point University is doing some of the installation before, now it is an even split. The city will be responsible for total installation and split the cost evenly with High Point University. Council Member Moore asked before the City was not going to do total installation? Mr. McCaslin stated that is correct. Council Member Moore asked after the project is done, what are the terms of the maintenance. Mr. McCaslin responded as with any utilities the City is responsible for maintenance. He explained there should be very little maintenance for the next few years because of new equipment. There will not be an increase in the City's maintenance cost over or above what the City would have to do with the present utilities.

Council Member Moore made a motion to approve the Amendment to the Memorandum of Understanding (MOU) with High Point University as proposed. Council Member Williams seconded. Motion carried unanimously with an 8-0 vote as follows:

Aye (8): Mayor Wagner, Council Member Moore, Mayor Pro Tem Williams, Council Member Scarborough, Council Member Ewing, Council Member Peters, Council Member Jones, and Council Member Hudson

Absent (1): Council Member Golden

Closed Session

At this time it was announced that the City Council had a need to go into Close Session and upon returning to Regular Session, the Council Meeting would resume in the 3rd Floor, Lobby Conference Room, for department presentations.

Council Member Jeff Golden arrived at 3:24 p.m.

At 3:25 p.m. Council Member Ewing made a motion to go into Closed Session for a personnel matter pursuant to N.C.G. S. §143-318.11 (a)(6). Seconded by Council Member Moore. Motion carried unanimously with a 9-0 vote.

At 4:16 p.m. Council Member Golden made a motion to dissolve the Closed Session and resume Regular Session. Seconded by Council Member Peters. Motion carried unanimously with a 9-0 vote.

The following motion was made as a result of the Closed Session.

Mayor Wagner made a motion to approve an amendment to the City Managers contract with the following amendment to the terms of the contract severance package: \$50,000 performance bonus; \$125 monthly cell phone allowance increase; and require the City Manager to give a detailed succession plan for all City departments. Seconded by Council Member Ewing. Motion carried unanimously with a 9-0 vote.

2018-128 Department Presentation - Community Development Department

Note: The following presentation will be attached and incorporated as a permanent part of these proceedings.

- ✓ Community Development and Housing Department – PowerPoint (**Exhibit Book, Volume XIII, Page 6**)

Randy McCaslin stated that due to time constraints the Library Presentation will be rescheduled for May 8, 2018.

Mary Sizemore, Library Director, stated she would incorporate the Library Presentation into the reception that is being held on May 8, 2018 at the Library. She reminded Council that the Grand Opening of the Library Plaza Project would be held on April 28th from 8:00 a.m. to 2:00 p.m.

Mike McNair, Community Development Director, gave the presentation of the Community Development and Housing Department.

Mr. McNair shared the organizational chart of the department, noting the department now has an Assistant Director, Thanena Wilson. He stated strengthening neighborhoods is the department's mantra which correlates with the City's vision "Creating the single most livable, safe and prosperous community in America". He stated the department works close with the Citizens Advisory Council which is appointed by City Council, to help them develop their plans and recommendations for public service grants. He explained annual funding sources noting that CDBG and HOME funds come from HUD, and Core City Redevelopment Fund and Infill Development Activities are local funds. He stated the Action Plan will be submitted to Council on May 7th, however, due to the timing of the distribution of federal funds, Council will approve the Action Plan, and then an amendment will need to be submitted when the final funds are awarded. In addition to proposed funding sources he gave an overview of the proposed expenditures. He stated one of the major aspects of the department is Community Capacity Building. Another focus area is Core City Redevelopment activities such as: Comprehensive Code Enforcement (minimum housing and public nuisance abatement), Infill Housing Development, Core City Homebuyer Incentive and Acquisition/Demolition/Blight Removal. Mr. McNair stated a very successful program City Council approved is the Core City Homebuyer Incentives noting 42 closed or pending units sold with 38 of those units in the city core. He explained the idea behind the program is to encourage young to middle age families to move into the core city. He stated in July there would be a recommendation to lower the Down Payment/Closing Cost Assistance from \$7,500 to \$5,000. Council Member Moore asked why. Mr. McNair responded it helps distribute the money more effectively. Council Member Golden asked will it hurt the people participating. Mr. McNair responded no, and it would not prevent a closing. Council Member Peters asked if there is a \$15,000 incentive. Mr. McNair responded there was a 15,000 incentive from the State, but advised it is no longer available.

Mr. McNair provided various ongoing affordable housing activities the department is involved in and shared updates. He mentioned a future project that will be in the Action Plan for 2018, that has up to 96 multi-family apartments which was approved by Planning and Zoning on March 27th. His next discussion centered around using community data utilizing the Housing Market Segmentation Study (UNC-G-Center for Housing & Community Studies) to help prioritize redevelopment and revitalization activities. He explained Parcel level data allows for comparisons across user definable areas, can be used to "right size" resources with needs, and provides better insights on trends. He stated parcel level data also allows viewing of enforcement activity such as public nuisances and the capability to compare neighborhoods with things such as: criminal offenses, open code violation, tax delinquency, environment services collection-dumping, and vacant property. He stated some next steps of utilizing the data is to refine the analysis, develop on the ground parcel data inventory, analyze needs and lay foundations for neighborhood action plans. Council Member Jones asked if the public has access to

this information. Mr. McNair replied the data is an internal demo but eventually once completed the information would be made available.

He shared a photo of the Ribbon-Cutting Ceremony held for Kirkwood Crossing April 6, 2018. Council Member Golden asked when the next class will be held for the home owner assistance program. Mr. McNair stated classes are held the 1st Saturday of every month.

2018-129 Department Presentation – Library

This presentation was rescheduled to May 8, 2018.

Adjournment

There being no further business to come before Council, the meeting adjourned at 4:41 p.m. upon motion duly made by Mayor Pro Tem Williams and seconded by Council Member Peters. Motion carried unanimously.

Jay W. Wagner, Mayor

Attest:

Sandra Keeney
Deputy City Clerk